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MANAGEMENT CONSULTING PROFESSIONALS

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MSHDA-Legal

Tuesday September 11, 2007

Ms. Mary Levine Acting Director of Legal Affairs  
Michigan State Housing Development Authority  
735 E. Michigan Ave.  
Lansing, MI 48909

RE: MSHDA Draft Qualified Allocation Plan  
Con-Pro Corporation

Dear Ms. Levine

I am aware that the draft QAP would change MSHDA's established procedures developing new LIHTC housing. Seeing the draft and hearing comments made by developers who have been associated with MSHDA for a long period of time, both for-profit and non-profit developers. I can see their concerns and believe they are justified in what they are seeing. Being the fact that I'm not a developer but a General Contractor expressing my concerns.

Being involved for that past 25 years in renovating various funded housing developments, I have been involved with the renovation of hundred of units and ever so many various housing sites. From the Upper Peninsula and across the Lower Peninsula I've had the opportunity to do a multitude of renovations. I personally feel that there are very few contractors who have had the hands on experience that I have. Bringing new product and procedures to the renovation industry.

There are a few concerns that I have regarding the new QAP. One is the issue of prevailing wage, which would increase the cost of construction considerably. Being this state, which has the right to work labor force, will again open the doors for a multitude of issues with the individual sub contractors trades and their work force. In many cases the sub contractor will pay more than the prevailing wage based on an individual experience and qualifications. And prevailing wages doesn't guarantee a better work force. Many small local sub contractors are leery of the amount of paper work that is required of them when prevailing wages are enacted, and their fore will shy away from getting involved with these types of jobs.

Another concern I have is the hiring of local resident work forces, although when in a local area I strive to hire as many local sub contractors as possible. However do to a time restraints in completing a site, in many cases the small or local sub contractor doesn't have the work forces to do the job in the required amount of time. In fact at times that small local contractor is scared away with the signing of a simple AIA contract, not even seeing the amount of paper work that again is required by them. What you're really doing with the amount of paper work that is required, is your discouraging and scaring the small contractor from doing business with you, the very thing you want. Many small contractors are excellent tradesman that have gone into business for them selves and have a very hard time with paper work, legal or other.

They prefer in spending more time in getting the job done, then doing paper work. I've had the opportunity to work with a variety of small contractors from every part of this great state, and if they could send a message to you, it would be less paper work. In many instants a family member would be their bookkeeper and much of the paper work scares them to where they prefer not to be apart of the states work.

In review of the said suggestions and recommendations for the new QAP, may we keep in mind for what our original goals are, providing low cost and affordable housing to accommodate those less fortunate. I believe we are making things so complicated that eventually we are going strangle ourselves that is MSHDA. Instead of adding complications, lets plan on reducing them to accommodate everyone, MSHDA, the Developers and the Contractors.

Respectfully

A handwritten signature in cursive script, appearing to read "Lawrence G. Stumkat".

Lawrence G. Stumkat  
President  
Con-Pro Corporation